been a model of honesty. This undoubtedly has been true of some individuals, and particularly of importers who have found a reputation for probity advantageous in dealing with foreigners. A manager of the largest foreign bank in China is said to have declared that he had never known a Chinese defaulter. Chinese, however, have labored under no delusion as to one another's complete trustworthiness, but have devised elaborate safeguards to protect themselves against the deceitful. As we have seen, guilds have means of detecting and punishing those who take unfair advantage of their fellow-members by disobeying rules designed to give an equal chance to all. The family may be held responsible for the misdeeds of one of its number. The Shansi bankers, to be described in a moment, are said to have held as hostages the families of employees, especially those entrusted with business in other provinces, and not to have released them until the employee, having discharged his errand, made a satisfactory accounting.

Then, too, the plan has been adopted of guarantors for the fulfilment af obligations, or for the good behavior of an individual.

Moreover, what the Westerner denominates "squeeze" has been regarded as normal—a percentage made on purchases by a servant for his master, or exacted by officials. While in theory a tacitly recognized form of commission and, since it is allowed by all parties, being not, strictly speaking, dishonest, in actual operation it has often been the means of peculations, from very small to very large sums. A great deal of adulteration of goods has been practiced, weights and measures juggled, and tricks played on the customer with bad money. All this does not mean that the Chinese have been so very much less upright than

other peoples. It does, however, indicate that the current assertion that they were and are extraordinarily trustworthy must be qualified.

### MONEY AND BANKING

From the standpoint of the Occident of the present—and even of earlier days—the currency system of the older China was crude and sometimes chaotic. In very early times various mediums of exchange were in use, including cowries—those shells widely employed as money not only in China but in many other parts of the world. Cowries, indeed, were in circulation in China as late as the fourteenth century. Coinage began as far back as the Chou